

or research that requires vertebrate animals to provide models of human disease.

Funds will be used to develop new and more powerful instruments; to attract trainees and scientists in other fields to the problems posed by biology and medicine; to allow more groups of investigators to purchase shared instruments; and to expand the use of computers for analysis, exchange, and storage of data.

With increased resources, NIH will be able to enhance their efforts to recruit and train the most talented individuals for careers in biomedical research. The agency will fund innovative research training programs that emphasize trans-disciplinary work, will increase by 25% the stipends that are currently provided to graduate students and post-doctoral fellows and a research environment will be created that offers improved stability and increased likelihood of research funding than was true in early years of this decade.

The promises of biomedical research to better human health can only be achieved if we strengthen the nation's capacity to perform clinical research, especially the research carried out through direct interactions with patient populations. With new funds in FY99, NIH will initiate several new categories of awards to enhance training and support of clinical investigators; a program that will finance a supervised five year apprenticeship for over 400 young investigators; a program that will provide salary support for the clinical research activities of 250 to 400 mid-career scientists who can serve as mentors; and a training program that will bring organized didactic programs in clinical research to over twenty institutions.

NIH will significantly increase support for the national outstanding centers for clinical research, including the General Clinical Research Centers; will expand their new program on the NIH campus that introduces medical and dental students to clinical research; continue loan repayment programs to clinical trainees from disadvantaged backgrounds in the intramural program and support the continued construction of the Mark O. Hatfield Clinical Research Center of the NIH campus.

As with all federal agencies, NIH is committed to frequent review and close oversight of its scientific and administrative practices. Despite a traditionally strong reputation for expert review of grant applications, the Center for Scientific Review is currently reexamining and restructuring NIH's peer review panels. Last year, the agency commissioned a large-scale review of administration at NIH, conducted by Arthur Andersen. While the review was generally complimentary of NIH's practices, the agency is currently in the process of implementing recommendations for improvement.

This year, the Institute of Medicine conducted a study of the process by which NIH identifies priorities for research funding. NIH is moving expeditiously to implement the IOM findings by building new avenues for public input.

MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1998

SPEECH OF

HON. NYDIA M. VELAZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 16, 1998

Ms. VELÁZQUEZ. Mr. Speaker, to many, money laundering may seem like the stuff of spy novels. But, to my constituents, money

laundering by drug cartels is a plague on the community. The fact of the matter is that money laundering has become big business, which is why it is drawn to financial centers like New York City. But in doing so, it has settled in areas like Jackson Heights, Queens in my district. The unfortunate reality is that these criminals do not bring investment dollars and a better way of life for my constituents—they bring guns, fear and death.

To date, Congress has done little as a partner in this war. The time was long overdue for Washington to reach out even more and form partnerships with those on the front lines.

Finally this year, the Banking Committee held a hearing to highlight the work of the El Dorado Task Force in New York City. El Dorado is a network of federal, state and local law enforcement officers and prosecutors who focus on fighting money laundering in Jackson Heights, Queens and Washington Heights, Harlem.

El Dorado has targeted money remitter services that are used more and more frequently by drug cartels to launder money abroad. In fact, the task force identified 12 large scale businesses in the New York Metropolitan area that were used to wire hundreds of millions of dollars in illegal drug proceeds overseas. These companies are affiliated with hundreds of smaller businesses ranging from travel agencies to beeper and cellular telephone outlets, which are found in predominantly poor immigrant neighborhoods throughout the city.

The result was that communities like Jackson Heights were becoming magnets for drug cartels to funnel their illicit proceeds from drug sales to drug source countries. That is how I became involved almost four years ago.

Hoping to reclaim their neighborhoods, I was approached by several constituents during a community meeting in Jackson Heights. They told me that Roosevelt Avenue was becoming overrun by envios, or money wire services, that drug dealers were using to launder money to Medellin and Cali. They wanted my help, because they saw their neighborhoods being overrun by drugs, violence and more crime.

Joining forces with District Attorney, Richard Brown, I formed a working group to put an end to this type of crime. First of all, everyone agreed that the best way to attack the drug cartels was to get them where it would hurt them the most—their profits. In order for cartels to reap profits, proceeds must be laundered. That is how the Money Laundering and Financial Crimes Strategy Act was conceived.

The idea was to bring together every person and entity involved in the war on drugs from state and local police and prosecutors to federal agencies. In order to better coordinate these efforts to fight money laundering, the Department of Treasury was made the lead agency, in conjunction with the Department of Justice.

The two agencies were charged with developing a national strategy that would coordinate efforts between all federal, state and local financial institutions, law enforcement, and prosecutors. Since cartels change their mode of laundering illegal proceeds as quickly as law enforcement officials catch up with them, the definition for money laundering was key. The original definition of money laundering included many predicate offenses, that might

cause confusion when developing the national strategy. For that reason, the Administration requested and the Senate agreed to change the definition of money laundering. As it is now defined in H.R. 1756, money laundering is more narrow, while giving the Secretary of the Treasury the ability to keep up with the different ways that money can be moved in, out and through any financial institution in the United States. However, the definition of money laundering in this legislation has always included related state and local statutes, and it still does.

The goal of the strategy is to coordinate a response to money laundering between federal, state and local law enforcement and prosecutors. The intention was never to give the Secretary of Treasury new powers over other agencies or for the Department of Treasury to usurp the authority of other agencies involved in our war on drugs. However, some concerns were raised by the Chairman of the Commerce Committee with respect to the Securities and Exchange Commission. As author of this bill, I will state clearly and unequivocally for the record that it is not the intention of this legislation to give the Secretary of the Treasury any new or additional powers over the SEC. It is purely our intention that all agencies involved work together and coordinate a federal response against money laundering. Since agencies like the SEC, although not political in nature, regulate entities that are subject to a lot of money laundering, the SEC needs to participate in developing the strategy and combating these crimes.

Additionally, state and local law enforcement voiced their concern about not having enough resources to fight huge crime syndicates. They made it clear that they wanted to be at the table in order to include their experience. For that reason, the definition of money laundering stipulates that state and local statutes on money laundering are to be considered when developing the national strategy. Also, the theme throughout the legislation is a coordinated response with localities, to help them deal with the problem of money laundering.

In fact, the designation of high risk money laundering areas is meant to highlight that certain communities experience more severe problems with money laundering and need more help. The grant section of the legislation is specifically meant to provide additional money to local law enforcement officials and prosecutors—especially those with a proven track record of joining forces with other localities—to help them combat money laundering. These localities should be the recipients of the grant money—not federal or state officials.

The goal of H.R. 1756, the Money Laundering and Financial Crimes Strategy Act of 1998, is the formation of better partnerships and more equitable distribution of resources in our war on drugs. Greater attention can now be given to fostering participation by smaller local law enforcement agencies, by making additional resources available and giving them a greater ability to share information with each other and the federal government. Together, we will be able to hit drug cartels where they feel it the most. Together, we will win this war on drugs.